

## Message Text

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21

ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05

L-01 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-04 CIEP-01 STR-01 OMB-01 CEA-01

COME-00 FRB-01 XMB-02 OPIC-03 LAB-01 SIL-01 IO-04

NEA-06 /079 W

----- 083501

P R 011040Z NOV 74

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 5107

INFO AMEMBASSY MANILA PRIORITY

AMCONSUL HONG KONG

LIMITED OFFICIAL USE JAKARTA 13376

PASS TO TREASURY

HONG KONG FOR GORDON

MANILA PASS TO USADB

EO 11652: N/A

TAGS: EAID EFIN ID

SUBJ: PROPOSED ADB SPECIAL FUND LOAN TO INDONESIA  
FOR BANDUNG WATER SUPPLY

REF: A. P 301555Z (TREASURY MSG)

B. MANILA 12763 C. MANILA 10970 D. JAKARTA 7801(NOTAL)

1. IT IS GENERALLY ACCEPTED BY MISSION HERE  
THAT AS RESULT NEW BALANCE OF PAYMENTS SITUATION  
FOR INDONESIA, THERE WILLHAVE TO BE REDUCTION  
IN CONCESSIONAL ASSISTANCE TO INDONESIA. IN  
LINE WITH OUR TRANSITION STRATEGY(REF D), HOWEVER,  
WE ARE ANXIOUS THAT TRANSITION TO NEW RELATIONSHIPS  
BE EFFECTED IN ALL FIELDS, INCLUDING ADB,  
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IN MANNER WHICH PRPRESERVES ADVANTAGES TO US

OF FAVORABLE RELATIONS CURRENTLY ENJOYED WITH GOI.

2. IT IS OUR UNDERSTANDING THAT ADB 'S MANAGEMENT HAS INFORMED GOI THIS YEAR WOULD BE A BRIDGING YEAR IN WHICH ADB WOULD CONTINUE TO PROVIDE APPROXIMATELY ONE FIFTH OF ITS ASSISTANCE FROM CONCESSIONAL WINDON AND THAT BEGINNING 1975 ALL LOANS WOULD BE FROM OPERATING CAPITAL. ASSUMING PROMISED ONE FIFTH NOT YET REACHED, WE BELIEVE LAST MINUTE CHANGE IN THIS STRATEGY, DIRECTLY ATTRIBUTABLE TO USG, COULD PRODUCE SHOCK TO AND NEGATIVE REACTION FROM INDONESIAN UUTHORITIES, PARTICULARLY IF THIS WERE TO RESULT IN ELIMINATION OF PROJECT.

3. WE REQUEST, THEEFORE, THAT WASHINGTON RECONSIDER POSITION TAKEN IN REFTEL A. IN LINE OUR TRANSITION STRETEGY, WE WOULD STRONGLY PREFER THAT (A) US EXECUTIVE DIRECTOR BE INSTRUCTED TO VOTE FOR LOAN AS ORIGINALLY PRESENTED IE INCLUDING FINANCING FROM PSECAL FUND RESOURCES; AND (B) EMBASSY WOULD AT LATER DATE INFORM GOI THAT, IN VIEW CHANGED FINANCIAL CIRCUMSTANCES OF INDONEIS, US WILL HENCEFORTH NOT BE ABLE TO SUPPORT SUCH ADB LOANS TO INDONESIA. IF THIS NOT POSSIBLE, WE BELIEVE WE SHOULD AT MINIMUM INFORM GOI IN ADVANCE OF OUR PORPOSED ACTION RE LOAN FOR BANDUNG WATER SUPPLY SO THAT GOI DOES NOT FIRST LEAN OF THIS CHANGE IN US POLICY FROM US VOTE AT ADB.  
NEWSOM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WATER SUPPLY SYSTEM, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 NOV 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** smithrj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974JAKART13376  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740313-1038  
**From:** JAKARTA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741180/aaaacprry.tel  
**Line Count:** 91  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A. P 301555Z (TREASURY MSG)  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** smithrj  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 JUL 2002 by kelleyw0>; APPROVED <12 MAR 2003 by smithrj>  
**Review Markings:**

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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSED ADB SPECIAL FUND LOAN TO INDONESIA FOR BANDUNG WATER SUPPLY  
**TAGS:** EAID, EFIN, ID, ADB-1  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005